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Libyan independence, formally proclaimed on 24 December, creates a new and shaky Moslem state. Its population has sharply divided interests and loyalties; it has complicated economic problems and is unprepared for independent statehood. Britain, France, Italy, and the US have specific interests in the new state and Egypt is deeply involved in Libyan internal politics.

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Franco clearly expects to receive American economic, as well as military assistance as a quid pro quo for military cooperation with the United States. As a minimum Spain probably will request assurance of an adequate supply of food and other consumer goods. Additional demands are likely, depending on the extent of the military commitment Spain is asked to make.

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The "democratic reform" movement in Communist China is a method of consolidating Communist control of the cities which runs parallel to the "land reform" in the countryside. The programs strike not only at the anti-Communist, but at the non-Communist who is capable of offering alternative leadership. Past Communist procedure suggests that as many as half a million Chinese will be killed and another five to 10 million economically ruined in the current "democratic reform."

SPECIAL ARTICLE. ACCELERATED AIR DEFENSE PROGRAM IN THE  
SOVIET ORBIT . . . . . Page 15

There is increasing evidence that during the last year and a half Soviet Orbit air defenses have been expanded, supplemented and, in part, re-equipped. The main purposes of this expansion are probably to provide the Soviet Union with the widest possible ring of air defense, to protect lines of communication to any theatres of operation outside the USSR's borders, and to defend key industrial targets in the Satellite area and the USSR.

  
THE SOVIET WORLD

For the third successive week, the campaign against alleged Western subversive activities inside the Orbit continues to be a prominent feature of Soviet-Satellite propaganda and diplomacy. The Mutual Security Act remains the principal target of this campaign, but several recent incidents have been utilized by the Communists to provide substance to these accusations.

The Hungarian Government has announced the trial and conviction of four US fliers held since last month on charges of violating the border to carry out an intelligence mission against Satellite territory. At the UN General Assembly, Soviet Foreign Minister Vyshinsky had already stated that fliers on spy missions were subject to arrest, trial and imprisonment if they violated restricted areas. It is clear that the captured fliers were sentenced to dramatize the alleged subversive aspects of the Mutual Security Act.

Subsequently, the Hungarian Government announced the arrest of four Hungarians on charges of finding suitable places for parachuting agents into the country and organizing groups to help American agents commit crimes.

An unusual development occurred on 19 December when the Soviet press announced the execution of two men, evidently Russians, who were said to have been parachuted into the Soviet Union from American planes to act as spies and saboteurs. Executions are almost never publicized by Soviet newspapers, and in this instance the government apparently wished to impress upon the people that its constant charges of foreign espionage and subversion within the country are not empty statements. Previously, on 11 December, the Rumanian Government protested to the US against the alleged parachuting of two "diversionists" into Rumania from a US plane last October.

The arrest of two British Embassy employees in Czechoslovakia, who were allegedly caught in the act of delivering money in exchange for state secrets, provided Communist propaganda with still another incident to highlight charges against the Mutual Security Act.

American Ambassador Briggs in Prague has commented that if the charges against these two employees, one of whom had diplomatic immunity, are false, Western diplomats may be accused of trumped up charges at any moment. British silence in regard to the arrests has resulted in a continued lack of Western knowledge of the facts of the case. The Czech Government is portraying the incident in the press as an example of how Mutual Security Act funds are used.

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Soviet Army women were observed in Legnica, Poland, the headquarters of the Soviet Northern Group of Forces, during late November. Such Soviet female personnel have also been reported in Eastern Germany, the Soviet Zone of Austria and Hungary. They have been taking over jobs formerly held by indigenous personnel, apparently in order to improve security at these installations.

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## THE THREAT TO THE FRENCH MILITARY POSITION IN TONKIN

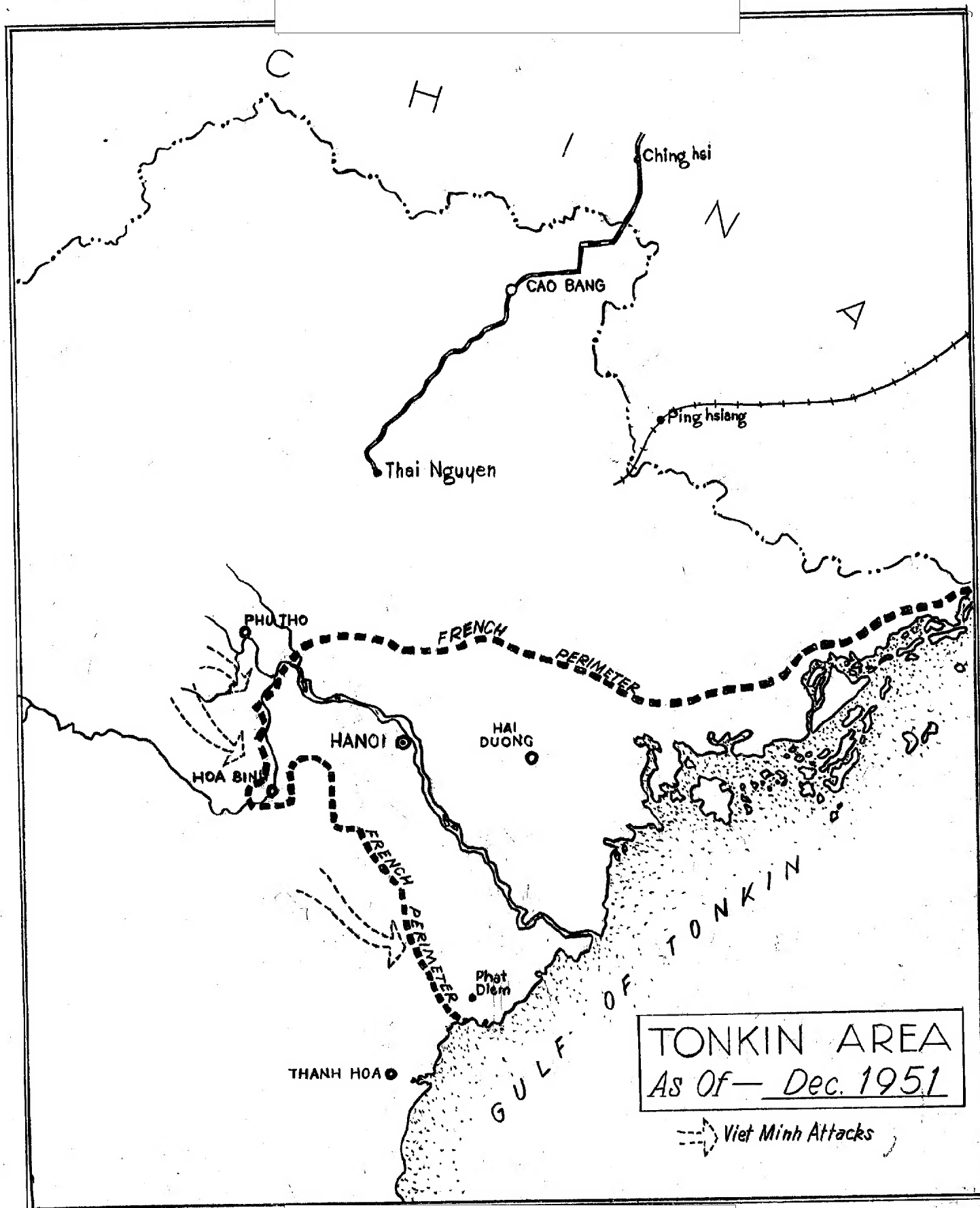
While the French military position in Tonkin is secure for the immediate future, there are strong indications that the relative Viet Minh military capabilities will increase at a gradually accelerating rate. Current evidence suggests that despite recent reports of a projected massive, overt Chinese Communist invasion, an enhanced Viet Minh military potential, to a large extent deriving from Chinese Communist aid and advice, constitutes the basis of the threat to Tonkin.

The French were probably closer to defeat in Indochina during late 1950 than at any time in 1951. Their precarious situation was saved by the arrival of General de Lattre in December 1950 and arrival of significant quantities of US military aid shortly thereafter. Viet Minh forces, despite steadily improving tactical skill, have not proved capable of defeating the French in daylight frontal engagements. Considerable evidence of material deficiencies in the Viet Minh army and in the economy of the area under its control indicates that the volume of Chinese aid to the Viet Minh, until recently, has been exaggerated.

The first Viet Minh campaign following the rainy season of June - September 1951 was repulsed, and in mid-November the French returned to the offensive for the first time in more than a year. During the past three weeks, however, French forces have been hard-pressed at a number of points along their delta perimeter defenses in Tonkin and have been harassed by a steady infiltration of Viet Minh units into positions behind the French lines. This current fighting appears to mark the beginning of a period of increasing Viet Minh capabilities.

Factors contributing to enhancement of Viet Minh capabilities are: (1) General de Lattre's protracted absences from military operations in Indochina; (2) inability of the French Government to replace casualties; (3) failure of the French authorities to encourage the emergence of vigorous, popular Vietnamese leadership, thus permitting the Viet Minh increasingly to make political capital of the failures of both national and local government; (4) a relatively static military situation in Korea (as compared with last year); and (5) improved communications in South China, which will permit an increase in Chinese Communist aid to the Viet Minh.

It has been reliably reported that if General de Lattre does not definitely resign, he will retain his dual role of High Commissioner and Commander-in-Chief only on a part-time basis. Prolonged absences from Indochina by De Lattre have in the past proved harmful to the conduct of operations. He is so jealous of his prerogatives that his subordinates are unwilling to make important and urgent decisions.



[REDACTED]

De Lattre had promised to repatriate during 1952 some of the reinforcements which the French Government dispatched to him this year. Rather than permitting the release of troops, however, Viet Minh pressure has brought the need for additional reinforcements. The replacement of casualties represents an almost insoluble problem to the French. Their program for the recruitment and training of a Vietnamese army is lagging badly, while only a trickle of personnel is arriving from France and Africa.

According to recent reliable reports, the Vietnamese population in areas of Tonkin long considered pacified are aiding Viet Minh guerrillas. The activation of the Bao Dai government has not been sufficient to produce a popular, anti-Viet Minh movement. An unfriendly population in their rear continues to plague French forces in Tonkin.

The Peiping regime's present commitment in Korea does not preclude extensive Chinese Communist aid to the Viet Minh in the form of troops or materiel or both. Available information indicates that the Peiping regime could commit and supply with small arms at least 200,000 troops for an operation in Indochina. Peiping can also provide logistic support to the Viet Minh indefinitely, and the Chinese Communists are publicly committed to extend all practicable aid to Asian "liberation" movements.

Although recently an increasing number of reports have been received detailing Chinese Communist intentions to invade Indochina, there is no convincing evidence that any such action in the foreseeable future is planned. On the other hand, the dispatch of "volunteers" has already taken place in the form of individual Chinese advisers and technicians,

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The extension of China's rail system to Pinghsiang, only ten miles from the Indochina border, is the most significant recent development affecting Chinese capabilities for giving support to Viet Minh forces. Its completion links Viet Minh areas not only with the Chinese rail net, but indirectly with the Soviet rail system as well. The Chinese have also impressed local labor in the border areas to repair the highway links to Indochina.

Viet Minh weaknesses have derived primarily from lack of materiel. Their attacks have shown much improvement in coordination and timing during the past year but have been weak in fire power. There is evidence that this deficiency is being remedied. The French have recently professed concern over shipments of military supplies to the Viet Minh and stockpiling in the border area.

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Chinese Communist technicians will continue, gradually bringing the tactical proficiency of Viet Minh units up to that of regular Chinese Communist units. A further factor enhancing Viet Minh capabilities in the immediate future is the "misty season," which lasts from January to late March and severely limits air activity.

### PROBLEMS FACING THE NEW LIBYAN STATE

Libya's independence, proclaimed on 24 December, creates a new Moslem state beset from the start with serious problems. Internally, the population is divided as to interests and loyalties, and the country's economy will require outside financial aid for some time to come. Libya is important to Britain, the US, France, and Italy, as well as to Egypt and the Arab League. The establishment of the new Arab state will increase the fervor of nationalism throughout the Near East and inspire Arab nationalists elsewhere in North Africa.

World War II brought an end to Libya's status as an Italian colony, and the UN was then called upon to solve the country's future when the Big Four Powers failed to reach a common agreement. A November 1949 UN decision provided for the establishment of an independent Libya by 1 January 1952. The Libyan National Assembly, which convened in November 1950, drafted a Constitution, under UN guidance, creating a United Kingdom of Libya composed of the two British-administered provinces of Tripolitania and Cyrenaica and the French-administered province of the Fezzan. These three territories comprise the new state of Libya, which possesses a federal, representative type of government and is headed by the aged Sayid Mohammed Idris al Senussi of Cyrenaica as king.

The transfer of powers from the British and French administering authorities to a "caretaker" provisional government has been effected during the last two months. A provincial administration, under the leadership of a governor representing the king, has been set up in each of the three territories. Two capitals, Tripoli and Benghazi, have been provided for in an effort to bridge the sectional rivalries.

Tripolitania, with a population of approximately 800,000, overshadows the other two provinces of Cyrenaica and the Fezzan with 325,000 and 50,000 respectively. The king has not shown himself to be a strong personality and has a determined opposition. Rivalries between tribal leaders and differences between city dwellers and tribesmen are also elements in the picture of a disunited Libya.

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Britain and the United States, concerned with Libya from the angle of increasing the general stability of the Near East, are also vitally interested in it from a defense angle. The largest US air base in Africa, Wheelus Field, is located outside Tripoli. British forces in Tripoli and Benghazi assume added importance as a result of the present dispute over the Suez Canal base.

Egypt has interested itself directly in internal Libyan politics by giving strong support to an important Tripolitanian leader, Bechir Saadawi, who is opportunistic and anti-Western.

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The other Arab states view Libya with considerably less interest, regarding it chiefly as a prospective member of the Arab League and a potentially useful ally in promoting Arab objectives. Direct contacts between the League members and Libya have already been established.

The first political test facing the United Kingdom of Libya will occur with the holding of elections in February 1952 for the bi-cameral Parliament. Pro-Western Libyan leaders like Prime Minister Mahmud Beg Muntasser are strongly opposed by the Tripolitanian leader, Bechir Saadawi, and his National Congress Party, which has been opposing UN-sponsored efforts at creating the present state of Libya. The Western powers are seriously concerned as to whether Muntasser and the more moderate Libyan elements will be able to win the elections with a satisfactory majority.

Since most of Libya is desert region with few natural resources, the new state is dependent on outside financial and economic assistance. Britain has released sufficient sterling to back the initial issue of a new Libyan currency and has sponsored Libya's entry into the sterling bloc. In addition, the British have offered to cover the Libyan deficit providing that British civilians are employed by the Libyan Government to check the economic administration of the country. Wheelus Field will bring in badly needed dollars. Libya will also obtain considerable economic assistance from the US Mutual Aid Program, special French grants, and certain Italian loans.

## ECONOMIC CONSIDERATIONS GOVERN SPANISH MILITARY COOPERATION WITH THE US

In discussing the question of possible Spanish military cooperation with the United States, Franco, while avoiding any direct reference to a quid pro quo, has made it unmistakably clear, both to the press and to American officials, that he expects economic assistance. An important factor enabling Franco to retain his grip on Spain despite the chronically bad economic situation, has been his assurances to the people and particularly the army that he would obtain American aid to relieve Spain's economic distress.

Franco maintains that in granting military facilities to the United States, Spain exposes itself to attack in the event of war. The United States, he feels, is therefore obligated to assist Spain to prepare itself economically, as well as militarily, for such an eventuality. Moreover, because Spain has been strongly anti-Communist, he maintains that the United States has a moral obligation to extend now the aid which Spain deserved, but did not receive, under the Marshall Plan.

The amount of economic assistance which Franco will request will presumably bear some relation to the nature and extent of the military commitment Spain is asked to make. The Spanish generals have stated that Spain's contribution to the defense of western Europe will be limited at this time to the Iberian Peninsula, but that in the event of war, Spain might garrison certain Mediterranean islands in order to release the man power of other countries for services elsewhere. The American Joint Military Survey Team, on the basis of a recent study of Spanish capabilities, has recommended that initial negotiations be confined to securing for the United States certain air, naval, and related facilities in peninsular Spain.

Franco and his generals have not stated their military aid requirements, other than equipment and materials for Spanish munitions factories and some American military equipment for training purposes. They have indicated, however, that they may demand heavy weapons and equipment for the army and modernization of the ineffective air force.

The American Survey Team has found that in order to support even limited American air and naval base facilities, rehabilitation of the dilapidated Spanish railways is necessary. Petroleum products storage and distribution facilities and the electric power system must be expanded and improved. The Survey Team has recommended that priority consideration be given to economic aid for these purposes. This aid would represent a dollar investment of probably several hundred millions, and would be of long-range benefit to the whole Spanish economy.

A more immediate and urgent problem, however, is the maintenance of adequate food supplies. For reasons of internal security this is the most critical Spanish economic need. For the past few years, essential imports of food have been financed out of Spain's small gold reserves. These are almost exhausted and Franco expects the United States to assure, by one means or another, sufficient food to increase the present Spanish ration. Fundamentally this would involve long-term rehabilitation of Spanish agriculture. Meanwhile the problem of financing food imports would remain for the near future.

The absolute minimum of economic aid which Franco would probably require, before arriving at any sort of military agreement with the United States, would be assurance of an adequate supply of food, as well as cotton and fuel, at a cost to the United States of roughly 50-100 million dollars yearly. The extent of Spanish military cooperation above and beyond a bare minimum will depend upon the amount of additional economic, as well as military, assistance that the United States is prepared to grant.

## WORLD COMMUNISM: "DEMOCRATIC REFORM" IN COMMUNIST CHINA

The "democratic reform" movement in Communist China, which has been under way for the past six months in the Central-South region, is a method of consolidating Communist control of the cities which runs parallel to the "land reform" in the countryside. Like the latter program, the "democratic reform" is evidently to extend throughout China and to be a standard feature of any Communist states established by Asian "liberation" movements.

Contrary to the history of the Communist parties of Eastern Europe, Communist-led "liberation" movements in Asia, basing themselves upon the peasantry, have controlled the countryside before the cities. In March 1949, the Chinese Communist Party decided to shift the theoretical base of the revolution to the cities. Whereas the land reform affects the 400 million people of the countryside, the "democratic reform" was apparently devised to deal with China's 75 million city-dwellers.

The basic objective in both the rural and urban programs is total control of the Chinese people. Whether the enemy is the rural "exploiter" (the landlord or rich farmer) or the urban "remnants of feudal rule" (unreliable managerial and supervisory personnel at all levels), the program strikes not only at the anti-Communist but at the non-Communist who is capable of offering alternative leadership.

Where the land reform begins with the redistribution of land and ends with the imposition upon all farmers of a new and rigid way of life, the "democratic reform" begins by bestowing national leadership upon the urban proletariat, involves the replacement of existing labor leaders with Communist appointees, and ends by coercing the urban labor force into organizations which manage it for the purposes of the State.

In both the rural and urban programs, the Communists operate by organizing the majority to turn against a minority through propaganda, agitation, mass accusations, and automatic convictions of the accused. While the Communist press has admitted that the Chinese people have been uneasy about participating, these programs nevertheless are achieving their aim of rendering effective resistance impossible.

Roughly two million Chinese have been killed and another 40 million economically ruined in the land reform, indicating that if the same percentages obtain, as many as half a million more will be killed and another five to ten million ruined in the current "democratic reform" of the urban population.

  
SPECIAL ARTICLE

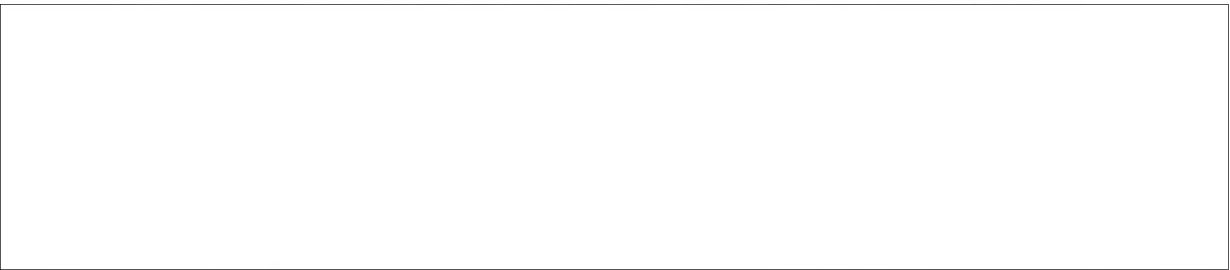
## ACCELERATED AIR DEFENSE PROGRAM IN THE SOVIET ORBIT

There is increasing evidence that during the last year and a half Soviet Orbit air defenses have been expanded, supplemented and, in part, re-equipped. The main purpose of this expansion is to provide the Soviet Union with the widest possible ring of air defense, to protect lines of communication to any theatres of operation outside the USSR's borders, and to defend key industrial targets in the Satellites and the USSR.

In the Soviet Union, air defense embraces all standard elements and is generally referred to by its Russian initials, PVO. Not a separate military organization, PVO signifies a concept of air defense which utilizes existing military, police and civil forces. Within the Ministry of War there is a Directorate of Air Defense, presided over by a Deputy Minister of War for PVO. His Directorate is believed responsible for technical and administrative details related to air defense and for the coordination of Soviet air defense measures.

Reports over the last two years indicate increasing Soviet efforts to strengthen domestic air defense. Identification in January 1951 of Colonel General Moskalenko, an experienced and high-ranking officer, as Commander of Air Defense for the Moscow Military District further underlines the importance which the USSR attaches to this activity.

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Directorates for air defense patterned after the PVO have been set up in Poland, Rumania, Czechoslovakia and probably Bulgaria, and such a Directorate may be at least in the planning stage in Hungary. Although evidence of coordination among the Satellites is incomplete, certain similarities suggest a common program under Soviet control and direction including improvement of early warning facilities, gun defenses, and interceptor capabilities, and the stepping up of passive defense preparations.

Passive Defense

The intensification of passive defense preparations has been reported

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along with the development of active defense capabilities throughout the Orbit, although available evidence does not indicate that civil defense measures are being undertaken on an urgent basis. In the USSR there are several "voluntary" organizations concerned with defense in case of air attack. Among them are the Brigades for Assistance to the Police, Volunteer Fire Brigades and Medical Societies such as the Red Cross and the Red Crescent.

Within the past year, Poland and Bulgaria have established civilian organizations with responsibilities for air defense. Moreover, it is evident from numerous reports that most of the Satellite countries have instituted instruction of civilians, particularly school children, in air raid precautions, have established programs for the renovation of air raid shelters, and in some instances, have attempted to improve fire fighting capabilities in key industrial centers.

#### Early Warning System

In the USSR, both ground and air units utilize air observation and reporting services to provide air warning to interceptor units and anti-aircraft batteries. Civil defense organizations are known to be engaged in training activity which would provide augmented services in the event of hostilities. Air warning coverage is particularly extensive in the western USSR, and includes many radar installations just east of the Satellite borders. [redacted]

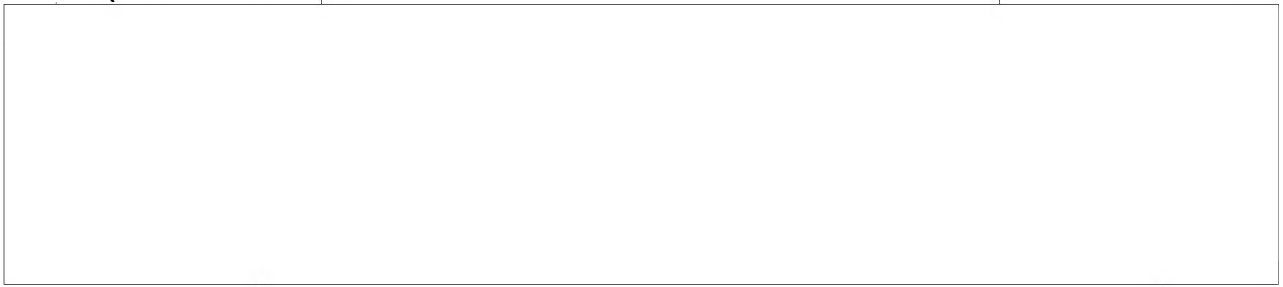
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The system in southeastern Europe is at present based mainly on visual observation and is still under development. Seventy observation posts have been identified in Bulgaria and 150 in Rumania. The integration in the Satellites, as in the USSR, of electronic means into the existing visual system would be a logical development but remains to be confirmed. [redacted]

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There is no evidence that the Polish air-warning organization is part of the interstate system in southeastern Europe. Early warning capabilities appear to be greater in the northern portion of the Orbit, with a confirmed radar net along the Baltic coast, on the western frontiers of Poland and Czechoslovakia, and along the western border of the Soviet Zone of Germany.

#### Air Interception

Soviet ability to intercept aircraft has been demonstrated both in the Baltic and Far Eastern areas.

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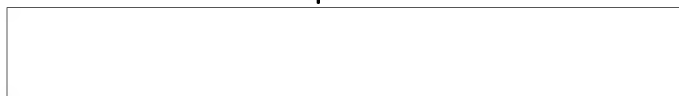
On 6 November 1951, a US reconnaissance plane was intercepted and shot down into the sea east of Vladivostok by planes operating under command of the Soviet naval air defense organization.

Soviet-Satellite capabilities for air interception have improved steadily over the past several years as a result of the introduction of increasing numbers of jet aircraft to replace conventional types in Soviet air units in Eastern Europe, the acquisition of jet aircraft by the air forces of at least two of the Satellite countries, and the long-range program of airfield construction and improvement in all Eastern European countries except Albania. It appears that the major responsibility for air interception rests with the Soviet air force, but the fact that the Soviet Union has provided jet equipment for Polish, Czech, and possibly Bulgarian units may indicate a more extensive air defense role for the Satellites.

The program to provide airfields throughout Eastern Europe suitable for offensive as well as defensive operations has gained momentum particularly since January 1950, so that there are now approximately 50 major airfields with hard-surfaced runways of 6,000 feet or longer and thus can handle TU-4 bombers. Approximately 15 similar fields are still under construction.

#### Antiaircraft Gun Defenses

In the Moscow area, the number of antiaircraft gun emplacements



continues to increase. Of 43 known active positions in October, all but six were within a 10 mile radius of the city's center. The total number of guns in these emplacements is estimated at 384. Indications are that these positions form an inner ring and that there is a tendency to establish more positions further out. Probably not less than 15 regiments staff the Moscow antiaircraft gun defense system, and there is evidence that some of the guns are as heavy as 100 mm. While the greatest known density of permanent antiaircraft defenses is in this area, there are indications that similar defense systems are being built up in Leningrad, Odessa and Kiev.

There has also been a recent increase in the number of antiaircraft gun emplacements around important Satellite targets. Over sixty 85 mm AA guns have been emplaced around Warsaw in the past three months. A similar expansion in the number of gun emplacements appears likely around Prague in view of recent reports of an accumulation of AA weapons and equipment at an outlying depot. Gun positions have been noted for some time around Sofia and Tirana. Additional installations are being manned in Budapest. Each of the Satellite capitals may eventually have a ring of AA defenses in imitation of Moscow.

The AA units of the various Satellite armies have also been strengthened and have received new equipment. Three AA divisions have been identified in Rumania, two each in Bulgaria and Hungary, and one in Poland, in addition to miscellaneous smaller units in each of the Satellite ground forces. It appears likely that the Soviet model 85 mm gun will be the standard antiaircraft weapon in most of the Satellite countries. Increasing numbers of these guns have been reported arriving in Hungary and Poland.

German type weapons, however, are used in Bulgaria and constitute the bulk of AA guns in Czechoslovakia. The availability of the Skoda works, where the German 88 mm dual purpose gun and its ammunition were produced during World War II, suggests that Czechoslovakia may not receive the more modern Soviet 85 mm weapon. Despite claims that the Soviet Union would provide the most modern weapons, including guided missiles for air defense, the bulk of equipment shipped to the Satellites continues to be of conventional World War II type.